



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila



Advisory No.:	RS-2023-003
Classification:	Regulatory and Supervisory Advisory
Date:	23 January 2023

INSURANCE COMMISSION ADVISORY

TO : ALL NON-LIFE INSURANCE COMPANIES, REINSURANCE COMPANIES AND LICENSED INTERMEDIARIES DOING BUSINESS IN THE PHILIPPINES

SUBJECT : CLARIFICATIONS AS REGARDS CIRCULAR LETTER NO. 2022-54 DATED 22 DECEMBER 2022 (“SETTING ASIDE THE ADOPTION OF THE REVISED SCHEDULE OF MINIMUM CATASTROPHE RATES UNDER IC CL 2022-34”)

This Commission issued Circular Letter (CL) No. 2022-34 dated 14 July 2022 on the “Guidelines on the Adoption of the Revised Schedule of Minimum Catastrophe Rates” to be observed by all non-life insurance companies and intermediaries, and shall apply to all insurance policies covering earthquake and typhoon and flood risks for both new and renewal business, except for risks rated under the motor car tariff.

As there was a need to ventilate the concerns arising from the revised schedule of minimum catastrophe rates prescribed under CL No. 2022-34 considering the expected increase of insurance premiums and its possible impact to the policyholders, this Commission issued CL No. 2022-54 on 22 December 2022, stating, in part, that: “x x x IC CL No. 2022-34 dated 14 July 2022 is hereby **SET ASIDE** without prejudice to further appropriate action on the matter”.

Note that the setting aside of CL No. 2022-34 dated 14 July 2022 is **TEMPORARY** in nature. Note further that this temporary suspension of the effectivity of CL No. 2022-34 shall be without prejudice to “further appropriate action on the matter” that may be undertaken by the Insurance Commissioner per CL No. 2022-54.

This Advisory further clarifies that CL No. 2022-54 delays the implementation of the regulatory action contained in CL No. 2022-34 to allow for the necessary public consultations to take place.

The deadline for meeting the requirement set forth in CL No. 2022-34 for non-life insurance companies and reinsurance companies to adopt revised minimum rates for catastrophe risk insurance will be established in a Circular Letter to be issued upon completion of the public consultations.

For information and guidance.



DENNIS B. FUNA
Insurance Commissioner

